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How to pass a Detroit bailout the majority party opposes

By Jack McHugh

Notwithstanding some mixed poll results, outside of Detroit most Michigan voters probably regard a proposed partial state bailout for the city as unfair, given they played no role in the fiscal malpractice that landed the city in federal bankruptcy court. Also, other local officials may be nervous that details in the proposal potentially giving a bigger financial “haircut” to the city’s lenders will mean higher borrowing costs for their own communities’ infrastructure needs in the future.

Reflecting these concerns, it is likely most outstate legislators — especially Republicans — are less than eager to cast a roll call vote on a bailout. Republicans hold majorities of 59 to 51 in the House and 26 to 12 in the Senate, yet none of them represent Detroit. Given these obstacles, Gov. Rick Snyder’s proposal earmarking \$350 million in state money to Detroit over 20 years must be “dead on arrival,” right?

Not hardly. In fact, even though it won’t solve Detroit’s fiscal or infrastructure problems, and diverts money that could be used for critical needs elsewhere, (like filling potholes; MDOT estimates it costs \$20 to fix a pothole, so that \$350 million could fix 17.5 million potholes statewide), the bailout has a good chance of being approved thanks to a tactic I’ll call the “budget shuffle.”

Here’s how it works:

Every year the Michigan Legislature passes an annual budget authorizing billions of dollars of spending. Total spending this year is around \$51.3 billion, and the governor has proposed \$52 billion in the next fiscal year (which begins Oct. 1).

If it is “buried” in the budget, legislators may never have to record a vote on just “the bailout.” Instead, it would be one of hundreds of line items included in a giant “omnibus” spending authorization bill. Lawmakers will be able to say, “I’m against the bailout, but not passing a budget would mean a government shutdown, which no one wants.”

Of course, nothing prohibits Republican House Speaker Jase Bolger and Senate Majority Leader Randy Richardville (who both stood with Gov. Snyder when he announced the bailout) from letting members cast a recorded vote on an amendment removing the bailout — but then adding it back during the final step of the process during a House-Senate “conference committee.” This is a small group of lawmakers trusted by the legislative leaders who are appointed to work out the differences between each body’s version of the budget. Their final “conference report” is then submitted for a single up-or-down vote on the whole shebang.

It could get complicated though: Passing the budget requires 56 votes in the House and 20 in the Senate. Most or all Democrats are likely to oppose a budget expressing the overall policy preferences of a Republican administration and legislative majority, so the majority caucuses can “give a pass” to just three GOP members in the House and six in the Senate.

In other words, almost all Republicans — including those who may have voted to remove a Detroit bailout from the budget — will probably have to vote “yes” on a budget that includes the bailout, or else the state government would shut down come Oct. 1. But at least they could claim to have voted against a bailout (before voting for it).

If someone back in the district notes the discrepancy a lawmaker can respond, “This was just one relatively tiny item in a \$52 billion budget that contains lots of things you like.” A few voters may grumble, but politicians (who get cross-pressured like this all the time) can usually count on public attention shifting soon to the next issue du jour.

And that’s the budget shuffle.

Jack McHugh is senior legislative analyst at the Mackinac Center for Public Policy, a research and educational institute headquartered in Midland, Mich.